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December 20, 2021

Via Email Only

Board of Trustees
Berkeley Electric Cooperative, Inc.
c/o Mike Fuller
414 Highway 52 North
Moncks Corner, SC 29461
mikef@bec.coop

RE: Electric Cooperative 2021 Compliance Examination in Accordance with S.C. Code Ann. § 33-49-150(A)

Dear Members of the Board:

In accordance with S.C. Code Ann. § 33-49-150(A), the South Carolina Office of Regulatory Staff ("ORS") has conducted its examination of Berkeley Electric Cooperative, Inc. ("the Cooperative"), pursuant to the provisions of Act 56 which was enacted in 2019, relating to compliance with the provisions of the Act.

ORS conducted its examination in accordance with amended Section 58-4-50. Sections of the Act covered by our examination are listed as follows:

- 33-49-255 - Restrictions on Interruption of Electric Service to Residential Customers for Nonpayment of Bill; Exceptions and Complaints
- 33-49-280 - Bylaws
- 33-49-420 - Meetings
- 33-49-430 - Quorum
- 33-49-440 - Voting
- 33-49-450 - Disposition of Propositions Presented by Not Less Than Ten Percent of Members
- 33-49-610 - Trustees
- 33-49-615 - Disclosure of Compensation and Benefits
- 33-49-620 - Voting Districts for Trustees and For Delegates
- 33-49-625 - Notice, Votes, and Minutes
- 33-49-630 - Compensation or Employment of Trustee; Actions and Conduct Prohibited
- 33-49-640 - Annual Election and Term of Trustees
- 33-49-645 - Conduct of Elections
- 33-49-1420 - Termination Procedures; Contents

Accordingly, the timing and extent of our tests were conducted as follows:

Letter - Berkeley Electric Cooperative, Inc.

Page 2 of 2

December 20, 2021

- (1) The examination involved testing compliance with the sections of Act 56 listed above, for the period from the effective date of the provision to June 30, 2021.
- (2) ORS's examination procedures included the following: questionnaires, inquiries, review of the Cooperative's bylaws, review of board meeting notices, review of minutes of meetings, review of Trustee compensation and benefits related to board meeting attendance, and other analytical analysis.

Based upon the examination procedures performed and the results obtained from the examination and the affirmations provided, the Cooperative is in compliance with Act 56.

As part of our examination, ORS has the following recommendation:

Regarding the disclosure to cooperative membership on the Cooperative's website of all compensation and benefits, by category, paid to or provided for board members, S.C. Code Ann. § 33-49-615(A)(7) requires this disclosure include as a separate category both the total value and a description of any other fringe benefits provided to board members. In the review letters ORS sent at the conclusion of the audit in 2020, ORS noted the descriptions many cooperatives provided were very limited, including the use of "Insurance premiums and other benefits" without further explanation. In its current audit, ORS noted the Cooperative used "Insurance premiums and other benefits" as the description in its 2020 disclosure without further information being provided in a footnote or elsewhere. To ensure greater transparency to membership, ORS continues to recommend including a description of the types of insurance premiums paid (i.e., medical, dental, vision, life, cancer, etc.), if insurance is a benefit provided to board members. If fringe benefits other than or in addition to insurance are provided, ORS recommends a substantive description of those be included, also.

Sincerely,



David Herpel, CPA
ORS Audit Manager

cc: Christopher R. Koon, Esquire (via email)